

Board of Education
Of the
CITY OF PORT REPUBLIC
School District

County of Atlantic
Port Republic, New Jersey



Mission Statement: The Port Republic School District, in partnership with families and community, instills and inspires within each of our students the ability and confidence to achieve his or her unique potential as life-long learners by implementing the New Jersey Core Curriculum Content Standards.

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For The Fiscal Year Ended June 30, 2012

**BOARD OF EDUCATION
OF THE
CITY OF PORT REPUBLIC
SCHOOL DISTRICT**

**County of Atlantic
Port Republic, New Jersey**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
For The Fiscal Year Ended June 30, 2012**

CITY OF PORT REPUBLIC SCHOOL DISTRICT

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INTRODUCTORY SECTION

PORT REPUBLIC CITY SCHOOL DISTRICT
POMONA AVENUE
PORT REPUBLIC, NEW JERSEY 08241

October 17, 2012

Honorable President and
Members of the Board of Education
City of Port Republic School District
County of Atlantic
Port Republic, New Jersey 08241

The Comprehensive Annual Financial Report of the City of Port Republic School District (District0 for the fiscal year ended June 30, 2012, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections:

- The Introductory Section includes this transmittal letter, the District's organizational chart and a roster of officials.
- The Financial Section includes the Independent Auditor's Report, Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the District's financial position and operating results, and other schedules providing detailed budgetary information.
- The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.
- The Single Audit Section in which the District is required to undergo an annual single audit in conformity with the provisions of the U.S. Office of Management and Budget Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations" and State of New Jersey OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1). REPORTING ENTITY AND ITS SERVICES

The District is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board (GASB) as established by NCGA Statement No. 3. All funds of the District are included in this report. The City of Port Republic Board of Education constitutes the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular education, as well as special education for disabled youngsters. The District completed the 2011-2012 fiscal year with an average daily enrollment of 118 students. The following details the changes in the student enrollment of the District over the last nine years.

Average Daily Enrollment

Fiscal Year	Student Enrollment	Increase/(Decrease)
2011-2012	118	0.85%
2010-2011	117	12.50%
2009-2010	104	1.96%
2008-2009	102	(15.70)%
2007-2008	121	(4.72)%
2006-2007	127	(3.79)%
2005-2006	132	(1.49)%
2004-2005	134	(2.19)%
2003-2004	137	(1.02)%

2). ECONOMIC CONDITION AND OUTLOOK

The District continues to see only very limited potential for growth due to Wetlands and Pinelands restrictions.

Enrollment has increased by one student; we are anticipating enrollment to increase slightly for 2012-2013. As a revenue gaining measure, Port Republic School District now participates as a Choice School.

The District continues to take advantage of opportunities to share services and minimize costs and will be exploring other considerations.

The impact of the NJDOE's budget deficit is uncertain; therefore the funding plan will remain unchanged.

3). MAJOR INITIATIVES

Student progress indicators continue to indicate that the District's educational program is an effective one.

4). INTERNAL CONTROLS

Management of the District is responsible for establishing and maintaining internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal awards and state financial assistance, the District also is responsible for ensuring that adequate internal control structure is in place to ensure compliance with applicable laws a regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District's management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal awards and state financial assistance programs, as well as to determine that the District has complied with applicable law and regulations.

5). BUDGETARY CONTROLS

In addition to internal accounting controls, the District maintains budgetary controls. The objectives of these budgetary controls are to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of School Estimate. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2012.

6). ACCOUNTING SYSTEM AND REPORTS

The District's accounting records reflect accounting principles generally accepted in the United States of America, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements", Note 1.

7). CASH MANAGEMENT

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8). RISK MANAGEMENT

The District carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

9). OTHER INFORMATION

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Preziosi Nicholson & Associates, PA was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the OMB Circular A-133 and State of New Jersey Circular 04-04-OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

10). ACKNOWLEDGMENTS

We would like to express our appreciation to the members of the City of Port Republic School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our administration and business staff.

Respectfully submitted,

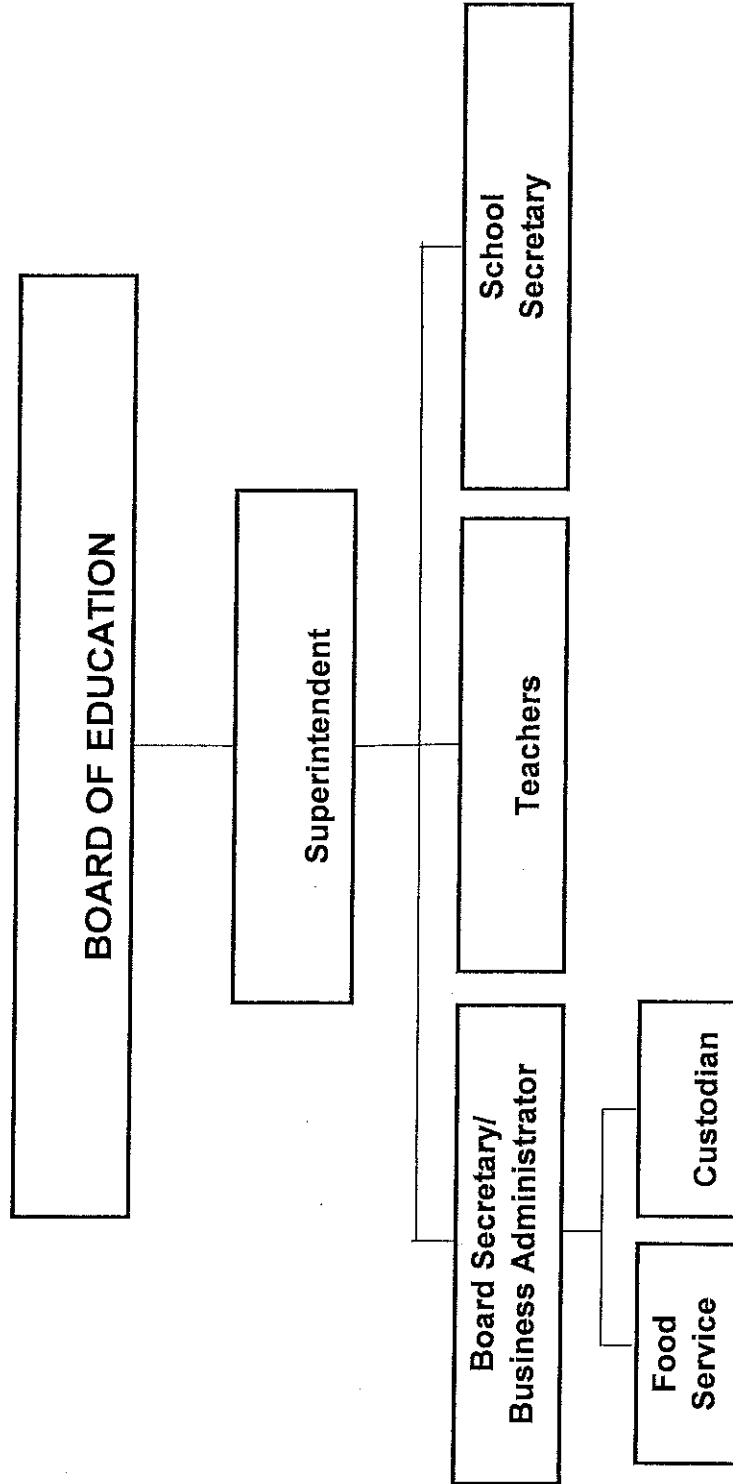
Kerri McGinley
Kerri McGinley, Ed.D
Superintendent

Vickie L. Tomasco
Vickie L. Tomasco
Interim Business Administrator/
Board Secretary

CITY OF PORT REPUBLIC SCHOOL DISTRICT

**County of Atlantic
Port Republic, New Jersey**

ORGANIZATIONAL CHART



CITY OF PORT REPUBLIC SCHOOL DISTRICT

**County of Atlantic
Port Republic, New Jersey**

ROSTER OF OFFICIALS

June 30, 2012

		Term Expires
Members of the Board of Education		
Joy Hooper	President	2016
Monica Giberson	Vice-President	2016
Suzanne Bellino	Board Member	2015
Michael McGarvey	Board Member	2013
Jeff Ropiecki	Board Member	2016
Other Officials		
Janet Wilbraham	Superintendent	
Michael Cibuliew	Business Administrator/Board Secretary	
Jessica Thompson	Treasurer	

CITY OF PORT REPUBLIC SCHOOL DISTRICT

Consultants and Advisors

Attorney

Cooper Levenson Attorneys at Law
1125 Atlantic Avenue - 3rd Floor
Atlantic City, New Jersey 08401

Audit Firm

James M. Preziosi, MS, CPA, PSA
Preziosi Nicholson & Associates, P.A.
Certified Public Accountants
1101 Wheaton Avenue
Suite 100
Millville, New Jersey 08332

Official Depository

First National Bank of Absecon
106 New Jersey Avenue
P.O. Box 324
Absecon, New Jersey 08201

Insurance Agent

Glenn Insurance, Inc.
P.O. Box 365
Absecon, New Jersey 08201

FINANCIAL SECTION

PREZIOSI·NICHOLSON

& ASSOCIATES PA

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Honorable President and
Members of the Board of Education
City of Port Republic School District
County of Atlantic
Port Republic, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business type activities and each major fund and the aggregate remaining fund information of the of Port Republic School District in the County of Atlantic, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Port Republic School District in the County of Atlantic, State of New Jersey as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 18, 2012 on our consideration of the City of Port Republic School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

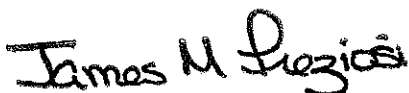
The Management Discussion and Analysis and Budgetary Comparison Information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Port Republic School District's basic financial statements. The accompanying introductory section and other supplementary information such as the combining fund financial statements and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and State of New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PREZIOSI • NICHOLSON & ASSOCIATES

Certified Public Accountants



James M. Preziosi
Certified Public Accountant
Public School Accountant No. CS 01141

September 18, 2012
Millville, NJ

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

CITY OF PORT REPUBLIC SCHOOL DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2012

This section of the City of Port Republic Board of Education School District's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the year ended June 30, 2012. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2012 are as follows:

Exhibit A-1

Net Assets for Governmental and Business-Type activities were \$735,636 and \$6,896, respectively

Exhibit A-2

Net Assets for both activities decreased by \$65,838.

Exhibit B-1

The General Fund, fund balance as of June 30, 2012 was \$420,691 a decrease of \$150,238 when compared with the beginning balance as of July 1, 2011 of \$570,929.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components:

1. District-Wide Financial Statements
2. Fund Financial Statements
3. Notes to Basic Financial Statements

This report also contains other supplementary information in addition to the basic financial statements.

District-Wide Financial Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report net assets and how they have changed. Net assets, the difference between the District's assets and liabilities, is one way to measure the District's financial health or *position*. The district-wide financial statements include the *Governmental Activities*. Most of the District's basic services are included here, such as instruction, extracurricular activities, curriculum and staff development, health services and general administration. Property taxes and grants finance most of these activities.

CITY OF PORT REPUBLIC SCHOOL DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2012

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds - not the District as a whole. The School District uses many funds to account for a multitude of financial transactions. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

The District has the following kinds of funds:

Governmental Funds - Most of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.

Proprietary Funds - Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.

Fiduciary Funds - The District is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that - because of a trust arrangement - can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

DISTRICT-WIDE FINANCIAL ANALYSIS

Net Assets

The Statement of Net Assets reports all financial and capital resources. The statement presents the assets and liabilities in order of relative liquidity. The liabilities with average maturities greater than one year are reported in two components - the amount due within one year and the amount due in more than one year. The difference between the District's assets and liabilities is its net assets.

CITY OF PORT REPUBLIC SCHOOL DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2012

DISTRICT-WIDE FINCNIAL ANALYSIS

Net Assets

Comparative Summary of Net Assets				
	Governmental Activities		Business-Type Activities	
	<u>June 30, 2012</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Assets				
Current and Other Assets	\$ 460,696	\$ 591,535	\$ 10,278	\$ 7,976
Capital Assets; net	<u>314,945</u>	<u>232,425</u>		
Total Assets	<u>775,641</u>	<u>823,960</u>	<u>10,278</u>	<u>7,976</u>
Liabilities				
Other Liabilities	<u>40,005</u>	<u>20,607</u>	<u>3,382</u>	<u>2,960</u>
Total Liabilities	<u>40,005</u>	<u>20,607</u>	<u>3,382</u>	<u>2,960</u>
Net Assets				
Invested in Capital Assets, Net of Debt	314,945	232,425		
Restricted	258,659	409,755		
Unrestricted	<u>162,032</u>	<u>161,173</u>	<u>6,896</u>	<u>5,016</u>
TOTAL NET ASSETS	<u>\$ 735,636</u>	<u>\$ 803,353</u>	<u>\$ 6,896</u>	<u>\$ 5,016</u>

CITY OF PORT REPUBLIC SCHOOL DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2012

DISTRICT-WIDE FINANCIAL ANALYSIS

Net Assets

CHANGE IN NET ASSETS				
	Governmental Activities		Business-Type Activities	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
Program Revenues				
Charges for Services	\$ -	\$ -	\$ 19,327	\$ 19,799
Grants and Contributions	385,971	349,602	4,363	4,960
General Revenues				
Property Taxes	1,494,257	1,530,305		
Grants and Entitlements	815,449	777,182		
Other	22,986	26,938	185	186
Total Revenues	2,718,663	2,684,027	23,875	24,945
Program Expenses				
Instruction	1,256,414	1,177,171		
Support Services	1,510,122	1,251,031		
Unallocated Depreciation	19,844	18,169		
Enterprise			21,995	23,005
Total Expenses	2,786,380	2,446,371	21,995	23,005
Change in Net Assets	(67,717)	237,656	1,880	1,940
Transfers				
Net Assets, July 1	803,353	565,697	5,016	3,076
Net Assets, June 30	\$ 735,636	\$ 803,353	\$ 6,896	\$ 5,016

CITY OF PORT REPUBLIC SCHOOL DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2012

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is also reflected in the governmental funds which are accounted for by using the modified accrual basis of accounting. As of the end of the current fiscal year, the District's governmental funds reported combining ending fund balances of:

	<u>June 30, 2012</u>	<u>June 30, 2011</u>	<u>Change</u>
Restricted			
Capital Reserve	\$ 610	\$ 600	\$ 10
Excess Surplus	258,049	175,416	82,633
Assigned			
Encumbrances		233,740	(233,740)
Unassigned			
General Fund	<u>162,032</u>	<u>161,174</u>	<u>858</u>
Total	<u>\$ 420,691</u>	<u>\$ 570,930</u>	<u>\$ (150,239)</u>

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts.

	<u>Original</u>	<u>Revised</u>	<u>Expended</u>
General Fund	\$ 2,532,582	\$ 2,766,322	\$ 2,643,587
On-Behalf Non-Budgeted			
TPAF Pension Contribution			85,624
TPAF Social Security			<u>76,661</u>
	<u>\$ 2,532,582</u>	<u>\$ 2,766,322</u>	<u>\$ 2,805,872</u>

CITY OF PORT REPUBLIC SCHOOL DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2012

GENERAL FUND BUDGETARY HIGHLIGHTS

Revenues

The General Fund proposed budget, estimated revenues at \$2,465,927. Actual revenues, not including on-behalf contributions for Pension and Social Security, were \$2,498,581.

Expenditures

The General Fund adopted expenditures were budgeted at \$2,532,582. Actual expenditures, not including on-behalf contributions for Pension and Social Security, were \$2,643,587.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2012, the School District had \$2,298,475 invested in land, building, furniture and equipment. Cost of capital assets increased by \$102,364 from fiscal year 2011 to fiscal year 2012. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

In accordance with the statutes governing Type 1 School Districts, the bonded debt is assumed by the City of Port Republic, New Jersey, and provision for amortization of principal and interest on the outstanding debt is included in the city budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a summary of the financial condition of School District. Questions concerning any of the information provided in this report should be addressed to:

School Business Administrator/Board Secretary
City of Port Republic School District
Pomona Avenue
Port Republic, NJ 08241
609.652.3664

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

CITY OF PORT REPUBLIC SCHOOL DISTRICT

Statement of Net Assets

June 30, 2012

See Accompanying Notes to the Basic Financial Statements

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 417,985.91	\$ 10,055.57	\$ 428,041.48
Accounts Receivable			
Due From Other Funds	25,300.67		25,300.67
Due From Other Governments	9,918.50	222.18	10,140.68
Tax Levy	6,880.00		6,880.00
Restricted Assets			
Cash Reserve Accounts	610.33		610.33
Capital Assets, Net	314,944.85		314,944.85
Total Assets	775,640.26	10,277.75	785,918.01
LIABILITIES			
Liabilities			
Accounts Payable	25,220.50		25,220.50
Due to Other Funds	14,784.07	3,381.68	18,165.75
Total Liabilities	40,004.57	3,381.68	43,386.25
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	314,944.85		314,944.85
Restricted			
Capital Projects	610.33		610.33
Other Purposes	258,048.51		258,048.51
Unrestricted	162,032.00	6,896.07	168,928.07
Total Net Assets	\$ 735,635.69	\$ 6,896.07	\$ 742,531.76

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Statement of Activities
For The Fiscal Year Ended June 30, 2012

See Accompanying Notes to the Basic Financial Statements

Function/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities
Governmental Activities					Total
Instruction					
Regular	\$ 1,070,194.88	\$ -	\$ 105,176.97	\$ (965,017.91)	\$ (965,017.91)
Special Education	183,403.22		90,197.26	(93,205.96)	(93,205.96)
School Sponsored Activities	2,816.00			(2,816.00)	(2,816.00)
Other Special	-			-	-
Support Services					
Tuition	576,816.13			(576,816.13)	(576,816.13)
Student and Instruction	424,345.96		85,651.67	(338,694.29)	(338,694.29)
General Administration	216,036.98		18,473.85	(197,563.13)	(197,563.13)
School Administrative	3,816.69		326.37	(3,490.32)	(3,490.32)
Central Services	9,077.64			(9,077.64)	(9,077.64)
Plant Operations and Maintenance	172,309.04		34,688.00	(137,621.04)	(137,621.04)
Pupil Transportation	107,718.59		51,457.00	(56,261.59)	(56,261.59)
Other Support Services	-			-	-
Unallocated Depreciation	19,843.56			(19,843.56)	(19,843.56)
Total Governmental Activities	2,786,378.69	-	385,971.12	(2,400,407.57)	(2,400,407.57)
Business-Type Activities					
Food Service	21,994.69	19,326.71	4,363.28		1,695.30
Total Business-Type Activities	21,994.69	19,326.71	4,363.28	-	1,695.30
Total Primary Government	\$ 2,808,373.38	\$ 19,326.71	\$ 390,334.40	(2,400,407.57)	(2,398,712.27)
General Revenues					
Tax Levy				1,494,257.00	1,494,257.00
Unrestricted Federal and State Aid				815,448.99	815,448.99
Investment Earnings				10,299.12	10,484.27
Other Income				12,684.29	12,684.29
Transfers					-
Total General Revenues And Transfers				2,332,689.40	2,332,874.55
Change in Net Assets				(67,718.17)	(65,837.72)
Net Assets, July 1				803,353.86	808,369.48
Net Assets, June 30				\$ 735,635.69	\$ 742,531.76

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2012

See Accompanying Notes to the Basic Financial Statements

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total
ASSETS					
Cash and Cash Equivalents	\$ 407,030.34	\$ 10,955.57	\$ -	\$ -	\$ 417,985.91
Accounts Receivable					
Due From Other Funds	25,300.67				25,300.67
Due From Other Governments	6,090.00	3,828.50			9,918.50
Tax Levy	6,880.00				6,880.00
Restricted Cash and Cash Equivalents	610.33				610.33
Total Assets	<u>\$ 445,911.34</u>	<u>\$ 14,784.07</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 460,695.41</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 25,220.50	\$ -	\$ -	\$ -	\$ 25,220.50
Due to Other Funds		14,784.07			14,784.07
Total Liabilities	<u>25,220.50</u>	<u>14,784.07</u>	<u>-</u>	<u>-</u>	<u>40,004.57</u>
FUNDS BALANCES					
Restricted					
Capital Reserve	610.33				610.33
Excess Surplus					
Designated For Subsequent Year	108,761.00				108,761.00
Current Year	149,287.51				149,287.51
Unassigned	162,032.00				162,032.00
Total Fund Balance	<u>420,690.84</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>420,690.84</u>
Total Liabilities and Fund Balances	<u>\$ 445,911.34</u>	<u>\$ 14,784.07</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 460,695.41</u>

Total Governmental Fund Balances \$ 420,690.84

Amounts reported for governmental activities in the Statement
of Net Assets (A-1) are different because:

Capital assets used in governmental activities are not financial
resources and therefore are not reported as assets in governmental
funds and consist of:

Cost of Capital Assets	2,293,904.72
Accumulated Depreciation	(1,978,959.87)

Long-Term liabilities, including bonds payable, are not due and
payable in the current period and therefore are not reported as
liabilities in the funds. Long-Term liabilities consist of:

Compensated Absences Payable	-
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Total Net Assets - Governmental Activities	<u>\$ 735,635.69</u>
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CITY OF PORT REPUBLIC SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenses and Changes in Fund Balances
For The Fiscal Year Ended June 30, 2012

See Accompanying Notes to the Basic Financial Statements

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total
REVENUES					
Local Sources					
Local Tax Levy	\$ 1,494,257.00	\$ -	\$ -	\$ -	\$ 1,494,257.00
Interest Earned	10,299.12				10,299.12
Miscellaneous	12,684.29				12,684.29
	<u>1,517,240.41</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,517,240.41</u>
Federal Sources	34,688.00	63,026.81			97,714.81
State Sources	1,103,705.30				1,103,705.30
	<u>2,655,633.71</u>	<u>63,026.81</u>	<u>-</u>	<u>-</u>	<u>2,718,660.52</u>
EXPENDITURES					
Current					
Regular Instruction	790,283.61	13,662.00			803,945.61
Special Education Instruction	137,775.11				137,775.11
School Sponsored Activities	2,816.00				2,816.00
Other Instruction					-
Support Services					
Tuition	576,816.13				576,816.13
Student and Instruction	269,409.91	49,364.81			318,774.72
General Administration	162,290.05				162,290.05
School Administrative	2,867.15				2,867.15
Central Services	9,077.64				9,077.64
Plant Operations and Maintenance	172,309.04				172,309.04
Pupil Transportation	107,718.59				107,718.59
Other Support Services					-
Employee Benefits	472,145.09				472,145.09
Capital Outlay	102,363.80				102,363.80
	<u>2,805,872.12</u>	<u>63,026.81</u>	<u>-</u>	<u>-</u>	<u>2,868,898.93</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(150,238.41)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(150,238.41)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In					-
Transfers Out					-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balance	<u>(150,238.41)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(150,238.41)</u>
Fund Balance, July 1	<u>570,929.25</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>570,929.25</u>
Fund Balance, June 30	<u>\$ 420,690.84</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 420,690.84</u>

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
of Governmental Funds to the Statement of Activities
For The Fiscal Year Ended June 30, 2012

See Accompanying Notes to the Basic Financial Statements

Total Net Change in Fund Balances - Governmental Funds	(B-2)	\$ (150,238.41)
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Amounts Reported for Governmental Activities in the Statement
of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.

Depreciation Expense		(19,843.56)
Capital Outlays		102,363.80

In the Statement of Activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).

(Increase) Decrease in Accrued Compensated Absences		-
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Change in Net Assets of Governmental Activities		<u>\$ (67,718.17)</u>
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PROPRIETARY FUNDS

CITY OF PORT REPUBLIC SCHOOL DISTRICT
 Proprietary Funds
 Statement of Net Assets
 June 30, 2012

See Accompanying Notes to the Basic Financial Statements

	<u>Enterprise Fund Food Service</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 10,055.57
Accounts Receivable	
State	14.83
Federal	<u>207.35</u>
Total Current Assets	<u>10,277.75</u>
Noncurrent Assets	
Equipment	4,570.00
Less: Accumulated Depreciation	<u>4,570.00</u>
Total Noncurrent Assets	<u>-</u>
Total Assets	<u>10,277.75</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	
Interfund Payable	<u>3,381.68</u>
Total Current Liabilities	<u>3,381.68</u>
NET ASSETS	
Invested in Capital Assets Net of Related Debt	
Unrestricted	<u>6,896.07</u>
Total Net Assets	<u>\$ 6,896.07</u>

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Assets
For The Fiscal Year Ended June 30, 2012

See Accompanying Notes to the Basic Financial Statements

Enterprise Fund
Food Service

OPERATING REVENUES

Charges For Services

Daily Sales

Reimbursable Programs

Non-Reimbursable Programs

\$ 17,154.15
2,172.56

Total Operating Revenue

19,326.71

OPERATING EXPENSES

Cost of Sales

Salaries

General Supplies

Depreciation

Other

20,970.09

-

709.51

-

315.09

Total Operating Expenses

21,994.69

Operating Income (Loss)

(2,667.98)

NONOPERATING REVENUES (EXPENSES)

State Sources

State School Lunch Program

Federal Sources

National School Lunch Program

Interest on Investments

291.72

4,071.56

185.15

Total Nonoperating Revenues (Expenses)

4,548.43

Income (Loss) Before Contributions and Transfers

1,880.45

Capital Contributions

Transfers In/(Out)

-

Change in Net Assets

1,880.45

Net Assets, July 1

5,015.62

Net Assets, June 30

\$ 6,896.07

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For The Fiscal Year Ended June 30, 2012

See Accompanying Notes to the Basic Financial Statements

Enterprise Fund
Food Service

CASH FLOW FROM OPERATING ACTIVITIES	
Receipts From Customers and Other Funds	\$ 19,326.71
Payments to Suppliers	<u>(21,994.69)</u>
Net Cash Provided By (Used In) Operating Activities	<u>(2,667.98)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Sources	300.33
Federal Sources	4,191.43
Operating Subsidies and Transfers to Other Funds	<u>421.71</u>
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>4,913.47</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Capital Assets	<u>-</u>
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on Investments	<u>185.15</u>
Net Cash Provided By (Used In) Investing Activities	<u>185.15</u>
Net Increase (Decrease) In Cash and Cash Equivalents	2,430.64
Cash and Cash Equivalents, July 1	<u>7,624.93</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 10,055.57</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities	
Operating Income (Loss)	\$ (2,667.98)
Adjustments to reconcile Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities	
Depreciation	-
(Increase) Decrease	
Accounts receivable	-
Inventories	-
Other Current Assets	-
Increase (Decrease)	
Accounts Payable	-
Accrued Expenses	<u>-</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ (2,667.98)</u></u>

FIDUCIARY FUNDS

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Fiduciary Funds
Statement of Fiduciary Net Assets
June 30, 2012

See Accompanying Notes to the Basic Financial Statements

	Scholarship Trust	Agency Fund
ASSETS		
Cash and Cash Equivalents	\$ 619.39	\$ 24,050.28
Investments	4,228.55	-
Interfunds Receivable	-	440.00
Total Assets	<u>4,847.94</u>	<u>24,490.28</u>
LIABILITIES		
Payroll Deductions	-	13,542.50
Interfund Payable	632.86	6,942.06
Due to Student Groups	-	4,005.72
Total Liabilities	<u>632.86</u>	<u>24,490.28</u>
NET ASSETS		
Held in Trust	<u>4,215.08</u>	-
Total Net Assets	<u><u>\$ 4,215.08</u></u>	<u><u>\$ -</u></u>

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Fiduciary Funds
Statement of Changes in Fiduciary Net Assets
For The Fiscal Year Ended June 30, 2012

See Accompanying Notes to the Basic Financial Statements

	Scholarship Trust
ADDITIONS	
Contributions	\$ -
Total Contributions	-
Investment Earnings	
Interest	22.24
Total Investment Earnings	22.24
Total Additions	22.24
DEDUCTIONS	
Scholarships Awarded	400.00
Total Deductions	400.00
Change in Net Assets	(377.76)
Net Assets, July 1	4,592.84
Net Assets, June 30	\$ 4,215.08

NOTES TO FINANCIAL STATEMENTS

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2012

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Reporting Entity – The City of Port Republic School District (hereafter referred to as the "District") is a Type I district located in the County of Atlantic, State of New Jersey. As a Type I district, the School District functions independently through a Board of Education. The Board consists of appointed officials and is responsible for the fiscal control of the District. The purpose of the District is to educate students in grades K-8. Students in grades 9-12 attend the Greater Egg Harbor Township High School.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the District over which the Board exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not included in any other reporting entity on the basis of such criteria.

Basis of Presentation

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities, and to its proprietary funds, provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described in this Note.

The District's basis financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide more detailed level of financial information.

Government-Wide Statements

The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities. The statement of net assets presents the financial condition of the governmental and business-type activities of the District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities and for the business-type activities of the District. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. The policy of the District is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation (Continued)

Fund Financial Statements

During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Fund Types

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds.

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes other than debt service or capital projects.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned expenditures for capital outlays, including acquisition or construction of capital facilities and other capital assets. The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Proprietary Fund Types

Proprietary Funds are used to account for and report for the District's ongoing activities, which are similar to those found in the private sector.

Enterprise Funds - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the Food Service Fund.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net asset) is segregated into investment in capital assets, net of related debt, and unrestricted net assets, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives the straight-line method. The estimated useful lives are as follows:

Equipment	5-12 Years
Light Trucks and Vehicles	4-10 Years
Heavy Trucks and Vehicles	6-10 Years

Fiduciary Fund Types

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Agency funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, and / or other funds (i.e., payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District has three fiduciary funds, a private-purpose scholarship fund, a student activity fund, and payroll fund.

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus

Government-Wide Financial Statements – The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the statement of net assets.

Fund Financial Statements - All government funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Government fund financial statements, therefore, include reconciliation with brief explanation to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All Assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditure.

Revenues – Exchange and Nonexchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2012

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting (Continued)

Revenues – Exchange and Nonexchange Transactions (Continued)

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. Ad Valorem (Property) Taxes are susceptible to accrual, as under New Jersey State Statute a municipality is required to remit to its District the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Budgets and Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the county office for approval and are approved by the Board of School Estimates. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C.6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C.6A:23A-13.3.

Format budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2012

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Budgets and Budgetary Control

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances – governmental funds. Note that the District does not report encumbrances outstanding at fiscal year end as expenditures in the general fund since the general fund budget follows modified accrual basis, with the exception of the revenue recognition policy for the last state aid payment.

Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund, for which the District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

Cash, Cash Equivalents and Investments

Cash and cash equivalents, for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2012

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash, Cash Equivalents and Investments

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

Inventories

Inventory purchases, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Enterprise fund inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method.

Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2012.

Deferred Expenditures

Deferred expenditures are disbursements that are made in one period, but are more accurately reflected as an expenditure / expense in the next fiscal period. Unlike prepaid expenses, deferred expenditures are not regularly recurring costs of operations.

Short-Term Interfund Receivables / Payables

Short-term interfund receivables / payables represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund in the District and that are due within one year. These amounts are eliminated in the governmental and business-type columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as interfunds receivable and / or interfunds payable.

Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and the proprietary fund statement of net assets.

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received. The District maintains a capitalization threshold of \$2,000.00. The District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method under the full month convention over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Land Improvements	10-20 Years
Building and Improvements	10-50 Years
Furniture and Equipment	5-20 Years
Vehicles	5-10 Years

Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire compensate absence liability is reported on the government-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2012

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary funds financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the financial statements when due.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Balance

The District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The District's classifications, and policies for determining such classifications, are as follows:

Nonspendable -- The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact. The "not spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Restricted -- The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed -- The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority, which, for the District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2012

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Balance

Assigned – The assigned fund balance classification includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position, approved by the Board of Education.

Unassigned – The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other government funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the District to spend restricted fund balances first. Moreover, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the District to spend fund balances, if appropriated, in the following order: committed, assigned, then unassigned.

Operating and Non-Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are sales for food service. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts.

Operating expenses are necessary costs incurred to provide the service that is the primary activity of the fund.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchanged transactions between funds are reported as revenues in the seller funds and as expenditure / expense in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources / uses in governmental funds and after non-operating revenues / expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures / expenses to the funds that initially paid for them are not presented on the financial statements.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2012

NOTE 2 CASH AND CASH EQUIVALENTS AND INVESTMENTS

Custodial Credit Risk Related to Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Districts' deposits might not be recovered. Although the District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, athletic and student activity funds, or funds that may pass to the District relative to the happening of a future condition. Such funds are considered uninsured and uncollateralized.

As of June 30, 2012, none of the District's bank balances of \$464,014.73 are considered uninsured or uncollateralized.

New Jersey Cash Management Fund

All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

As of June 30, 2012, the District had \$47,668.83 on deposit with the New Jersey Cash Management Fund.

Investments

As of June 30, 2012, the District maintained a certificate of deposit for its Scholarship Fund in the amount of \$4,228.55.

NOTE 3 RESERVE ACCOUNT

Capital Reserve

A capital reserve account was established by the District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

During the fiscal year ended June 30, 2012, the Capital Reserve Account had actual interest earnings of \$10.79.

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2012

NOTE 4 CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2012, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities				
Facility and Improvements	\$ 2,059,944.18	\$ 94,156.00	\$	\$ 2,154,100.18
Equipment	<u>131,596.74</u>	<u>8,207.80</u>	<u> </u>	<u>139,804.54</u>
Total at Historical Cost	2,191,540.92	102,363.80		2,293,904.72
Accumulated Depreciation	<u>1,959,116.31</u>	<u>19,843.56</u>	<u> </u>	<u>1,978,959.87</u>
Capital Assets, Net	<u>\$ 232,424.61</u>	<u>\$ 82,520.24</u>	<u>\$ 0.00</u>	<u>\$ 314,944.85</u>
Business-Type Activities				
Equipment	<u>\$ 4,570.00</u>	<u>\$</u>	<u>\$</u>	<u>\$ 4,570.00</u>
Total at Historical Cost	4,570.00			4,570.00
Accumulated Depreciation	<u>4,570.00</u>	<u> </u>	<u> </u>	<u>4,570.00</u>
Capital Assets, Net	<u>\$</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

NOTE 5 PENSION PLANS

A substantial number of School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund and the Public Employees' which are administered by the New Jersey Division of Pensions and Benefits. In addition, several School District employees participate in the Defined Contribution Retirement Program, which is a contribution pension plan. This too is administered by the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2012

NOTE 5

PENSION PLANS

Teacher's Pension and Annuity Fund

The Teachers' Pension and Annuity Fund (TPAF) is a cost-sharing contributory defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The TPAF provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66.

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114 and 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103 P.L., 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in the member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the district has been required over several preceding fiscal years.

Public Employees' Retirement System

The Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to normal rate when such surplus pension assets no longer exist.

The School District is billed annually for its normal contribution plus any accrued liability. The School District's contributions, equal to the required contribution for the fiscal year ended June 30, 2012 was \$14,891.

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2012

NOTE 6 POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2011, there were 93,323 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides free health to members of PERS, and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in fiscal year 2011.

NOTE 7 ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2012, the School Board has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement costs were \$28,445 and \$57,179, respectively.

NOTE 8 DEFERRED COMPENSATION

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Axa Equitable
American Express Financial
Syracusa Benefits Program

NOTE 9 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance

The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2012

NOTE 10 INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2012:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 25,300.67	\$
Special Revenue Fund		14,784.07
Fiduciary Fund	440.00	7,574.92
Enterprise Fund		3,381.68
		<hr/>
Total	<u>\$ 25,740.67</u>	<u>\$ 25,740.67</u>

NOTE 11 FUND BALANCES

Restricted

As stated in Note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes, such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the District's fund balance are summarized as follows:

General Fund

For Excess Surplus

Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7 as amended. New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2012 is \$258,048.51.

For Capital Reserve

As of June 30, 2012, the balance in the capital reserve account is \$610.33. These funds are restricted for future capital outlay expenditures for capital projects in the District's approved Long Range Facilities Plan (LRFP).

Unassigned

As stated in Note 1, the unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The District's unassigned fund balance is summarized as follows:

General Fund

As of June 30, 2011, \$162,032.00 of general fund balance was unassigned.

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2012

NOTE 12 CONTINGENT LIABILITIES

Federal and State Grants

The District participates in a number of federal and state grant programs. The grant programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

General

Per confirmation by the District's legal counsel, there are no material pending litigation, claims, assessments or contingent liabilities against the District.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES

CITY OF PORT REPUBLIC SCHOOL DISTRICT

General Fund

 Budgetary Comparison Schedule
 For The Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources					
Local Tax Levy	\$ 1,494,257.00	\$ -	\$ 1,494,257.00	\$ 1,494,257.00	\$ -
Tuition	12,300.00	-	12,300.00	10,288.33	(12,300.00)
Interest Earned on Investments	-	-	-	10.79	10,288.33
Interest Earned on Capital Reserve Funds	-	-	-	10.79	10.79
Miscellaneous	10,000.00	-	10,000.00	12,684.29	2,684.29
Total Local Sources	1,516,557.00	-	1,516,557.00	1,517,240.41	683.41
State Sources					
Equalization Aid	190,216.00	-	190,216.00	190,216.00	-
Categorical Transportation Aid	45,367.00	-	45,367.00	45,367.00	-
Categorical Special Education Aid	74,514.00	-	74,514.00	74,514.00	-
Categorical Security Aid	12,738.00	-	12,738.00	12,738.00	-
Adjustment Aid	592,901.00	(26,539.00)	566,362.00	566,362.00	-
Nonpublic Transportation Aid	-	6,090.00	6,090.00	6,090.00	-
School Choice Aid	-	51,365.00	51,365.00	51,365.00	-
On-Behalf Non-Budgeted	-	-	-	-	-
Teacher's Pension and Annuity Fund	-	-	-	85,624.00	85,624.00
Reimbursed TPAF Social Security	-	-	-	76,661.30	76,661.30
Total State Sources	915,736.00	30,916.00	946,652.00	1,108,937.30	162,285.30
Federal Sources					
Education Jobs Grant	33,634.00	1,054.00	34,688.00	34,688.00	-
Total Federal Sources	33,634.00	1,054.00	34,688.00	34,688.00	-
Total Revenues	2,465,927.00	31,970.00	2,497,897.00	2,660,865.71	162,968.71

CITY OF PORT REPUBLIC SCHOOL DISTRICT

General Fund

Budgetary Comparison Schedule

For The Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES					
Current Expense					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	72,095.00	-	72,095.00	71,185.00	910.00
Grades 1-5 - Salaries of Teachers	407,720.00	-	407,720.00	382,750.30	24,969.70
Grades 6-8 - Salaries of Teachers	242,892.00	-	242,892.00	240,680.23	2,211.77
Regular Programs - Home Instruction					
Salaries of Teachers	-	-	-	-	-
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	14,547.00	-	14,547.00	13,108.20	1,438.80
Purchased Professional-Educational Services	2,300.00	(1,500.00)	800.00	734.00	66.00
Purchased Technical Services	200.00	-	200.00	200.00	200.00
Other Purchased Services (400-500 series)	1,000.00	53.02	1,053.02	426.26	626.76
General Supplies	10,000.00	4,799.54	14,799.54	14,798.82	0.72
Textbooks	5,000.00	1,967.00	6,967.00	6,644.99	322.01
Other Objects	20,000.00	41,163.61	61,163.61	59,955.81	1,207.80
Total Regular Programs - Instruction	775,754.00	46,483.17	822,237.17	790,283.61	31,953.56
Special Education - Instruction					
Resource Room/Resource Center					
Salaries of Teachers	105,682.00	8,812.00	114,494.00	114,444.00	50.00
General Supplies	500.00	-	500.00	229.78	270.22
Total Resource Room/Resource Center	106,182.00	8,812.00	114,994.00	114,673.78	320.22
Preschool Disabilities - Full-Time					
Purchased Professional-Educational Services					
General Supplies		23,027.00	23,027.00	23,025.00	2.00
		310.36	310.36	76.33	234.03
Total Resource Room/Resource Center	-	23,337.36	23,337.36	23,101.33	236.03
Total Special Education - Instruction	106,182.00	32,149.36	138,331.36	137,775.11	556.25

CITY OF PORT REPUBLIC SCHOOL DISTRICT

General Fund

Budgetary Comparison Schedule

For The Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Sponsored Cocurricular Activities - Instruction Salaries	2,000.00	-	2,000.00	1,216.00	784.00
Total School-Sponsored Cocurricular Activities - Instruction	2,000.00	-	2,000.00	1,216.00	784.00
School-Sponsored Cocurricular Athletics - Instruction Salaries	2,000.00	-	2,000.00	1,600.00	400.00
Total School-Sponsored Cocurricular Athletics - Instruction	2,000.00	-	2,000.00	1,600.00	400.00
Total Instruction and At-Risk Programs	885,936.00	78,632.53	964,568.53	930,874.72	33,693.81
Undistributed Expenditures - Instruction					
Tuition to Other LEAs Within the State - Regular	483,000.00	-	483,000.00	461,848.24	21,151.76
Tuition to Other LEAs Within the State - Special	72,302.00	24,486.00	96,788.00	89,479.89	7,308.11
Tuition to County Vocational School - Regular	32,695.00	(5,688.00)	27,107.00	25,488.00	1,619.00
Tuition - Charter School	12,351.00	(10,300.00)	2,051.00		2,051.00
Total Undistributed Expenditures - Instruction	600,348.00	8,598.00	608,946.00	576,816.13	32,129.87
Undistributed Expenditures - Health Services					
Salaries	51,466.00	1,090.00	52,556.00	51,731.88	824.12
Supplies and Materials	1,000.00	(287.00)	713.00	94.56	618.44
Total Undistributed Expenditures - Health Services	52,466.00	803.00	53,269.00	51,826.44	1,442.56

CITY OF PORT REPUBLIC SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For The Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Speech-Occupational- Physical Therapy and Related Services					
Salaries	22,490.00	(22,490.00)			-
Supplies and Materials	500.00	(500.00)			-
Total Undistributed Expenditures - Speech-Occupational- Physical Therapy and Related Services	22,990.00	(22,990.00)	-	-	-
Undistributed Expenditures - Guidance Services					
Other Purchased Professional and Technical Services	2,000.00	-	2,000.00	700.00	1,300.00
Total Undistributed Expenditures - Guidance Services	2,000.00	-	2,000.00	700.00	1,300.00
Undistributed Expenditures - Child Study Teams					
Salaries of Other Professional Staff	38,563.00	(3,777.50)	34,785.50	31,687.75	3,097.75
Salaries of Secretarial and Clerical Assistants	58,000.00	-	58,000.00	57,999.43	0.57
Other Purchased Professional and Technical Services	8,000.00	452.00	8,452.00	8,451.00	1.00
Miscellaneous Purchased Services	2,000.00	(452.00)	1,548.00	700.00	848.00
Total Undistributed Expenditures - Child Study Teams	106,563.00	(3,777.50)	102,785.50	98,838.18	3,947.32
Undistributed Expenditures - Improvement of Instructional Services					
Salaries of Other Professional Staff	11,984.00	(2,727.20)	9,256.80	9,255.09	1.71
Salaries of Secretarial and Clerical Assist.	6,453.00	-	6,453.00	3,736.68	2,716.32
Other Purchased Professional and Technical Services	35,000.00	9,758.00	44,758.00	44,749.82	8.18
Other Purchased Services (400-500 Series - Other Than 444)	1,665.00	-	1,665.00	769.30	895.70
Supplies and Materials	2,000.00	-	2,000.00	1,670.40	329.60
Total Undistributed Expenditures - Improvement of Instructional Services	57,102.00	7,030.80	64,132.80	60,181.29	3,951.51

CITY OF PORT REPUBLIC SCHOOL DISTRICT

General Fund

Budgetary Comparison Schedule

For The Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Educational Media Services/School Library					
Salaries	51,279.00	-	51,279.00	50,247.00	1,032.00
Supplies and Materials	1,600.00	(350.00)	1,250.00		1,250.00
Total Undistributed Expenditures - Educational Media Services/School Library	52,879.00	(350.00)	52,529.00	50,247.00	2,282.00
Undistributed Expenditures - Instructional Staff Training Services					
Purchased Professional - Educational Services	4,000.00	3,657.00	7,657.00	7,617.00	40.00
Purchased Professional and Technical Services	500.00	-	500.00		500.00
Other Purchased Services (400-500 series)		-			-
Total Undistributed Expenditures - Instructional Staff Training Services	4,500.00	3,657.00	8,157.00	7,617.00	540.00
Undistributed Expenditures - Support Services - General Administration					
Salaries	99,030.00	8,225.21	107,255.21	107,255.20	0.01
Legal Services	24,582.00	3,601.29	28,183.29	27,474.20	709.09
Audit Fees	8,000.00	-	8,000.00	7,000.00	1,000.00
Communications/Telephone	13,800.00	881.63	14,681.63	9,826.57	4,855.06
Miscellaneous Purchased Services (400-500 Series Other Than 530/585)	500.00	-	500.00		500.00
Board of Education Membership Dues and Fees	4,500.00	6,510.26	11,010.26	10,734.08	276.18
Total Undistributed Expenditures - Support Services - General Administration	150,412.00	19,218.39	169,630.39	162,290.05	7,340.34
Undistributed Expenditures - Support Services - School Administration					
Supplies and Materials	2,500.00	182.50	2,682.50	2,667.15	15.35
Other Objects		200.00	200.00	200.00	-
Total Undistributed Expenditures - Support Services - School Administration	2,500.00	382.50	2,882.50	2,867.15	15.35

CITY OF PORT REPUBLIC SCHOOL DISTRICT

General Fund

Budgetary Comparison Schedule

For The Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Central Services					
Purchased Professional Services	8,900.00	-	8,900.00	8,900.00	-
Miscellaneous Purchased Services (400-500 Series)	400.00	-	400.00	177.64	222.36
Total Undistributed Expenditures - Central Services	9,300.00	-	9,300.00	9,077.64	222.36
Undistributed Expenditures - Required Maintenance for School Facilities					
Salaries	55,172.00	(9,460.00)	45,712.00	56,237.20	(10,525.20)
Cleaning, Repair, and Maintenance Services	20,000.00	13,785.00	33,785.00	33,315.80	469.20
General Supplies	500.00	100.00	600.00	499.45	100.55
Other Objects	500.00	(355.00)	145.00		145.00
Total Undistributed Expenditures -Required Maintenance for School Facilities	76,172.00	4,070.00	80,242.00	90,052.45	(9,810.45)
Undistributed Expenditures - Custodial Services					
Salaries	12,312.00	255.00	12,567.00	11,413.36	1,153.64
Insurance	16,500.00	(925.00)	15,575.00	14,540.00	1,035.00
Miscellaneous Purchased Services	1,000.00	225.00	1,225.00	813.12	411.88
General Supplies	11,500.00	10,494.50	21,994.50	21,911.18	83.32
Energy - Electricity	18,000.00	5,024.18	23,024.18	21,647.21	1,376.97
Energy - Oil	14,325.00	(12,176.00)	2,149.00	751.59	1,397.41
Other Objects	12,987.00	900.97	13,887.97	11,180.13	2,707.84
Total Undistributed Expenditures - Custodial Services	86,624.00	3,798.65	90,422.65	82,256.59	8,166.06
Total Undistributed Expenditures - Operations & Maintenance of Plant	162,796.00	7,868.65	170,664.65	172,309.04	(1,644.39)

CITY OF PORT REPUBLIC SCHOOL DISTRICT

General Fund

Budgetary Comparison Schedule

For The Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Student Transportation Services					
Contracted Services - Aid In Lieu of Payment for Non-Public Students	21,564.00	1,007.00	22,571.00	22,566.45	4.55
Contracted Services - (Between Home and School) - Vendors	61,860.00	(12,401.89)	49,458.11	42,366.41	7,091.70
Contracted Services (Other than Between Home and School)-Vendors	8,000.00	1,885.50	9,885.50	9,213.73	671.77
Contracted Services - (Between Home and School) - Joint Agreements	12,139.00	-	12,139.00	11,492.00	647.00
Contracted Services - (Special Education Students) - Joint Agreements	26,497.00	-	26,497.00	22,080.00	4,417.00
Total Undistributed Expenditures - Student Transportation Services	130,060.00	(9,509.39)	120,550.61	107,718.59	12,832.02
Unallocated Benefits					
Social Security Contributions	19,800.00	-	19,800.00	14,926.04	4,873.96
Other Retirement Contributions - PERS	32,812.00	(7,572.00)	25,240.00	14,891.00	10,349.00
Unemployment Compensation	7,000.00	1,706.99	8,706.99	3,742.21	4,964.78
Workmen's Compensation	16,500.00	1,025.20	17,525.20	14,370.67	3,154.53
Health Benefits	216,618.00	46,651.82	263,269.82	261,929.87	1,339.95
Total Unallocated Benefits	292,730.00	41,812.01	334,542.01	309,859.79	24,682.22
On-Behalf Contributions					
TPAF Pension Contributions (Non-Budgeted)		-	-	85,624.00	(85,624.00)
Reimbursed TPAF Social Security (Non-Budgeted)		-	-	76,661.30	(76,661.30)
Total On-Behalf Contributions	-	-	-	162,285.30	(162,285.30)
Total Personal Services - Employee Benefits	292,730.00	41,812.01	334,542.01	472,145.09	(137,603.08)
Total Undistributed Expenditures	1,646,646.00	52,743.46	1,699,389.46	1,772,633.60	(73,244.14)
Total Current Expense	2,532,582.00	131,375.99	2,663,957.99	2,703,508.32	(39,550.33)

CITY OF PORT REPUBLIC SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For The Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Capital Outlay					
Equipment					
Undistributed Expenditures					
Instruction		-			-
Support Services - Students - Regular		-			-
General Administration		8,207.80	8,207.80	8,207.80	-
Operational and Maintenance of Plant Services					
Total Equipment	-	8,207.80	8,207.80	8,207.80	-
Facilities Acquisition and Construction Services					
Salaries		-			-
Construction Services		94,156.00	94,156.00	94,156.00	-
Total Facilities Acquisition and Construction Services	-	94,156.00	94,156.00	94,156.00	-
Assets Acquired Under Capital Leases (Non-Budgeted)					
Undistributed Expenditures					
General Administration		-			-
Assets Acquired Under Capital Leases (non-budgeted)					
Total Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES					
	2,532,582.00	102,363.80	102,363.80	102,363.80	-
		233,739.79	2,766,321.79	2,805,872.12	(39,550.33)
Excess (Deficiency) of Revenues Over(Under) Expenditures	(66,655.00)	(201,769.79)	(268,424.79)	(145,006.41)	123,418.38

CITY OF PORT REPUBLIC SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For The Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Financing Sources (Uses)					
Operating Transfer In					
Contribution to SBB (School Based Budget)		-			-
Operating Transfer Out					
Transfer to Capital Reserve		-			-
Transfer to Food Service Fund - Board Contribution		-			-
Capital Leases (Non-Budgeted)		-			-
Total Other Financing Sources (Uses)					
		-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(66,655.00)	(201,769.79)	(268,424.79)	(145,006.41)	123,418.38
Fund Balance, July 1	659,755.25	-	659,755.25	659,755.25	-
Fund Balance, June 30	<u>\$ 593,100.25</u>	<u>\$ (201,769.79)</u>	<u>\$ 391,330.46</u>	<u>\$ 514,748.84</u>	<u>\$ 123,418.38</u>
Recapitulation					
Restricted Fund Balance					
Capital Reserves				\$ 610.33	
Excess Surplus - Designated for Subsequent Year's Expenditures				108,761.00	
Excess Surplus - Current Year				149,287.51	
Assigned Fund Balance					
Encumbrances					
Unassigned Fund Balance				<u>256,090.00</u>	
				514,748.84	
Reconciliation to Governmental Funds Statements (GAAP)					
Last State Aid Payment Not Recognized on GAAP Basis				<u>(94,058.00)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 420,690.84</u>	

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Education Jobs Fund Program
Budgetary Comparison Schedule
For The Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Federal Sources					
Education Jobs Fund	\$ 33,634.00	\$ 1,054.00	\$ 34,688.00	\$ 34,688.00	\$ -
Total Revenues	33,634.00	1,054.00	34,688.00	34,688.00	-
EXPENDITURES					
Instruction					
Salaries - Other Instruction					
Total Instruction	-	-	-	-	-
Undistributed Expenditures - Custodial Services					
Salaries	33,634.00	1,054.00	34,688.00	34,688.00	-
Total Undistributed Expenditures - Custodial Services	33,634.00	1,054.00	34,688.00	34,688.00	-
Total Expenditures	33,634.00	1,054.00	34,688.00	34,688.00	-
Excess (Deficiency) of Revenues Over(Under) Expenditures	-	-	-	-	-
Other Financing Sources (Uses)					
Operating Transfers					
Total Other Financing Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For The Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
State Sources	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Sources	27,100.00	33,145.00	60,245.00	55,249.00	(4,996.00)
Total Revenues	27,100.00	33,145.00	60,245.00	55,249.00	(4,996.00)
EXPENDITURES					
Instruction					
Salaries of Teachers	27,100.00	(13,437.79)	13,662.21	13,662.00	0.21
Supplies and Materials		-			-
Other Objects		-			-
Total Instruction	27,100.00	(13,437.79)	13,662.21	13,662.00	0.21
Support Services					
Personal Services - Salaries		37,473.00	37,473.00	37,473.00	-
Personal Services - Employee Benefits		2,619.79	2,619.79		2,619.79
Purchased Professional Educational Services		6,490.00	6,490.00	4,114.00	2,376.00
Other Objects		-			-
Total Support Services	-	46,582.79	46,582.79	41,587.00	4,995.79
Facilities Acquisition					
Instructional Equipment		-			-
Total Facilities Acquisition		-			-
Total Expenditures	27,100.00	33,145.00	60,245.00	55,249.00	4,996.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Other Financing Sources					
Operating Transfers		-			-
Total Other Financing Sources	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

**NOTES TO REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF PORT REPUBLIC SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to RSI
 For The Fiscal Year Ended June 30, 2012

Note A - Explanation of Differences Between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (Budgetary Basis) revenue from the Budgetary Comparison Schedule	\$ 2,660,865.71	\$ 55,249.00
Difference - Budget to GAAP Grant accounting Budgetary Basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized.		
Encumbrances		
June 30, 2011	-	7,777.81
June 30, 2012	-	
State Aid payment recognized for budgetary purposes, not recognized for GAAP purposes.		
State Aid Payment		
June 30, 2011	88,826.00	
June 30, 2012	(94,058.00)	
Total revenues as reported on the Statements of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 2,655,633.71</u>	<u>\$ 63,026.81</u>
Uses/Outflows of Resources		
Actual amounts (Budgetary Basis) total outflows from the Budgetary Comparison Schedule	\$ 2,805,872.12	\$ 55,249.00
Differences - Budget to GAAP Encumbrances for supplies and equipment ordered but not received are recorded in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes		
Encumbrances		
June 30, 2011		7,777.81
June 30, 2012		-
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	<u>\$ 2,805,872.12</u>	<u>\$ 63,026.81</u>

OTHER SUPPLEMENTARY INFORMATION

SCHOOL BASED BUDGET SCHEDULES

N/A

SPECIAL REVENUE FUND

The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects.

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures
Budgetary Basis
For The Fiscal Year Ended June 30, 2012

	Federal	State	Other	Total
REVENUES				
Federal Sources	\$ 55,249.00	\$ -	\$ -	\$ 55,249.00
State Sources				-
Total Revenues	<u>\$ 55,249.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,249.00</u>
EXPENDITURES				
Instruction				
Salaries of Teachers	51,135.00			51,135.00
Other Objects	-			-
Total Instruction	<u>51,135.00</u>	<u>-</u>	<u>-</u>	<u>51,135.00</u>
Support Services				
Personal Services				
Salaries	-			-
Employee Benefits	-			-
Purchased Educational Services	4,114.00			4,114.00
Other Objects	-			-
Total Support Services	<u>4,114.00</u>	<u>-</u>	<u>-</u>	<u>4,114.00</u>
Facilities Acquisition				
Instructional Equipment	-			-
Total Facilities Acquisition	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 55,249.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,249.00</u>

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Special Revenue Fund
FEDERAL
Combining Schedule of Program Revenues and Expenditures
Budgetary Basis
For The Fiscal Year Ended June 30, 2012

	No Child Left Behind	I.D.E.A. Part B		Rural Education Achievement	Total
	Title IA	Basic	Preschool		
REVENUES					
Federal Sources	\$ 4,114.00	\$ 35,929.00	\$ 1,544.00	\$ 13,662.00	\$ 55,249.00
Total Revenues	<u>\$ 4,114.00</u>	<u>\$ 35,929.00</u>	<u>\$ 1,544.00</u>	<u>\$ 13,662.00</u>	<u>\$ 55,249.00</u>
EXPENDITURES					
Instruction					
Salaries of Teachers		35,929.00	1,544.00	13,662.00	51,135.00
Other Objects					-
Total Instruction	-	<u>35,929.00</u>	<u>1,544.00</u>	<u>13,662.00</u>	<u>51,135.00</u>
Support Services					
Personal Services					
Salaries					-
Employee Benefits					-
Purchased Ed Services	4,114.00				4,114.00
Other Objects					-
Total Support Services	<u>4,114.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,114.00</u>
Facilities Acquisition					
Instructional Equipment					-
Total Facilities Acquisition	-	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 4,114.00</u>	<u>\$ 35,929.00</u>	<u>\$ 1,544.00</u>	<u>\$ 13,662.00</u>	<u>\$ 55,249.00</u>

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

PROPRIETARY FUNDS

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent is that the costs of providing goods or services be financed through user charges.

ENTERPRISE FUND

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Net Assets
June 30, 2012

	<u>Food Service</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 10,055.57
Accounts Receivable	
State	14.83
Federal	<u>207.35</u>
Total Current Assets	<u>10,277.75</u>
Noncurrent Assets	
Equipment	4,570.00
Less: Accumulated Depreciation	<u>4,570.00</u>
Total Noncurrent Assets	<u>-</u>
Total Assets	<u>10,277.75</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	
Interfund Payable	<u>3,381.68</u>
Total Current Liabilities	<u>3,381.68</u>
NET ASSETS	
Invested in Capital Assets Net of Related Debt	
Unrestricted	<u>6,896.07</u>
Total Net Assets	<u>\$ 6,896.07</u>

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
For The Fiscal Year Ended June 30, 2012

	<u>Food Service</u>
OPERATING REVENUES	
Charges For Services	
Daily Sales	
Reimbursable Programs	\$ 17,154.15
Non-Reimbursable Programs	<u>2,172.56</u>
Total Operating Revenue	<u>19,326.71</u>
OPERATING EXPENSES	
Cost of Sales	20,970.09
Salaries	
General Supplies	709.51
Depreciation	
Other	<u>315.09</u>
Total Operating Expenses	<u>21,994.69</u>
Operating Income (Loss)	<u>(2,667.98)</u>
NONOPERATING REVENUES (EXPENSES)	
State Sources	
State School Lunch Program	291.72
Federal Sources	
National School Lunch Program	4,071.56
Interest on Investments	<u>185.15</u>
Total Nonoperating Revenues (Expenses)	<u>4,548.43</u>
Income (Loss) Before Contributions and Transfers	1,880.45
Capital Contributions	-
Transfers In/(Out)	<u>-</u>
Change in Net Assets	1,880.45
Net Assets, July 1	<u>5,015.62</u>
Net Assets, June 30	<u>\$ 6,896.07</u>

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Cash Flows
For The Fiscal Year Ended June 30, 2012

	<u>Food Service</u>
CASH FLOW FROM OPERATING ACTIVITIES	
Receipts From Customers and Other Funds	\$ 19,326.71
Payments to Suppliers	<u>(21,994.69)</u>
Net Cash Provided By (Used In) Operating Activities	<u>(2,667.98)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Sources	300.33
Federal Sources	4,191.43
Transfers to Other Funds	<u>421.71</u>
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>4,913.47</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Capital Assets	<u>-</u>
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on Investments	<u>185.15</u>
Net Cash Provided By (Used In) Investing Activities	<u>185.15</u>
Net Increase (Decrease) In Cash and Cash Equivalents	2,430.64
Cash and Cash Equivalents, July 1	<u>7,624.93</u>
Cash and Cash Equivalents, June 30	<u>\$ 10,055.57</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities	
Operating Income (Loss)	\$ (2,667.98)
Adjustments to reconcile Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities	
Depreciation	
(Increase) Decrease	
Accounts Receivable	
Inventories	
Other Current Assets	
Increase (Decrease)	
Accounts Payable	
Accrued Expenses	
Net Cash Provided By (Used In) Operating Activities	<u>\$ (2,667.98)</u>

INTERNAL SERVICE FUND

None

FIDUCIARY FUNDS

Fiduciary Funds are used to account for funds received by the District for a specific purpose. Agency Funds are used to account for assets held by the District as an agent for individuals, private organizations, and other governments and/or other funds.

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Fiduciary Net Assets
June 30, 2012

	Trust Fund	Student Activity	Agency Payroll	Total
ASSETS				
Cash and Cash Equivalents	\$ 619.39	\$ 3,565.72	\$ 20,484.56	\$ 24,050.28
Investments	4,228.55			-
Interfunds Receivable		440.00		440.00
Total Assets	<u>4,847.94</u>	<u>4,005.72</u>	<u>20,484.56</u>	<u>24,490.28</u>
LIABILITIES				
Payroll Deductions			13,542.50	13,542.50
Interfund Payable	632.86		6,942.06	6,942.06
Due to Student Groups		4,005.72		4,005.72
Total Liabilities	<u>632.86</u>	<u>4,005.72</u>	<u>20,484.56</u>	<u>24,490.28</u>
NET ASSETS				
Held in Trust	4,215.08			-
Total Net Assets	<u>\$ 4,215.08</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Assets
For The Fiscal Year Ended June 30, 2012

	Scholarship Trust
	<u> </u>
ADDITIONS	
Contributions	\$ -
	<u> </u>
Total Contributions	<u>-</u>
Investment Earnings	
Interest	<u>22.24</u>
Total Investment Earnings	<u>22.24</u>
Total Additions	<u>22.24</u>
 DEDUCTIONS	
Scholarships Awarded	<u>400.00</u>
Total Deductions	<u>400.00</u>
Change in Net Assets	(377.76)
Net Assets, July 1	<u>4,592.84</u>
Net Assets, June 30	<u><u>\$ 4,215.08</u></u>

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Student Activity Funds
Schedule of Receipts and Disbursements
For The Fiscal Year Ended June 30, 2012

	<u>Balance</u> <u>June 30, 2011</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2012</u>
Elementary School	<u>\$ 2,850.66</u>	<u>\$ 14,115.52</u>	<u>\$ 13,400.46</u>	<u>\$ 3,565.72</u>

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
For The Fiscal Year Ended June 30, 2012

	Balance June 30, 2011	Cash Receipts	Cash Disbursements	Balance June 30, 2012
ASSETS				
Cash and Cash Equivalents	\$ 11,730.46	\$ 1,327,139.46	\$ 1,318,385.36	\$ 20,484.56
Total Assets	<u>\$ 11,730.46</u>	<u>\$ 1,327,139.46</u>	<u>\$ 1,318,385.36</u>	<u>\$ 20,484.56</u>
LIABILITIES				
Net Payroll	\$ -	\$ 761,169.84	\$ 761,169.84	\$ -
Payroll Deductions and Withholding	2,889.68	565,650.06	554,997.24	13,542.50
Interfund Payable	8,840.78	319.56	2,218.28	6,942.06
Total Liabilities	<u>\$ 11,730.46</u>	<u>\$ 1,327,139.46</u>	<u>\$ 1,318,385.36</u>	<u>\$ 20,484.56</u>

LONG-TERM DEBT

The District is a Type I School District, the City of Port Republic is responsible for the debt of the District.

STATISTICAL SECTION

CITY OF PORT REPUBLIC SCHOOL DISTRICT

Statistical Section Introduction to the Statistical Section

Financial Trends

- J-1 These schedules contain trend information to help the reader understand how the District's
- J-2 financial performance and well being have changed over time.
- J-3
- J-4
- J-5

Revenue Capacity

- J-6 These schedules contain information to help the reader assess the District's most
- J-7 significant local revenue source, the property tax.
- J-8
- J-9

Debt Capacity

- J-10 These schedules present information to help the reader assess the affordability of the
- J-11 District's current levels of outstanding debt and the District's ability to issue additional debt
- J-12 in the future.
- J-13

Demographic and Economic Information

- J-14 These schedules offer demographic and economic indicators to help the reader
- J-15 understand the environment within which the District's financial activities take place.

Operating Information

- J-16 These schedules contain service and infrastructure data to help the reader understand
- J-17 how the information in the District's financial report relates to the services the District
- J-18 provides and the activities it performs.
- J-19
- J-20

Sources: *Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Report (CAFR) for the relevant year.*

FINANCIAL TRENDS

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Net Assets By Component
Source: CAFR A-1

Exhibit J-1
Unaudited

	Fiscal Year Ended						
	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007	June 30, 2006
Governmental Activities							
Invested in Capital Assets, net of related debt	\$ 314,944.85	\$ 232,424.61	\$ 228,383.87	\$ 220,436.13	\$ 237,864.50	\$ 230,678.80	\$ 248,418.94
Restricted	258,658.84	409,755.25	584.86	570.47	63,330.61	159,885.02	80,655.03
Unrestricted	162,032.00	161,174.00	336,728.65	211,448.89	66,845.12	19,901.35	(7,386.29)
Total Governmental Activities Net Assets	\$ 735,635.69	\$ 803,353.86	\$ 565,697.38	\$ 432,455.49	\$ 367,940.23	\$ 410,485.17	\$ 321,687.68
Business-Type Activities							
Invested in Capital Assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ 60.00	\$ 179.00	\$ 410.74
Restricted	-	-	-	-	-	-	-
Unrestricted	6,896.07	5,015.62	3,075.62	350.63	(1,430.95)	(1,749.99)	(1,316.35)
Total Business-Type Activities Net Assets	\$ 6,896.07	\$ 5,015.62	\$ 3,075.62	\$ 350.63	\$ (1,370.95)	\$ (1,570.99)	\$ (905.61)
District-Wide							
Invested in Capital Assets, net of related debt	\$ 314,944.85	\$ 232,424.61	\$ 228,383.87	\$ 220,436.13	\$ 237,924.50	\$ 230,857.80	\$ 248,829.68
Restricted	258,658.84	409,755.25	584.86	570.47	63,330.61	159,885.02	80,655.03
Unrestricted	168,928.07	166,189.62	339,804.27	211,799.52	65,214.17	18,151.36	(8,702.64)
Total District-Wide Net Assets	\$ 742,531.76	\$ 808,369.48	\$ 568,773.00	\$ 432,806.12	\$ 366,469.28	\$ 408,894.18	\$ 320,782.07
							\$ 351,533.15

Exhibit J-2
Unaudited65

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Changes in Net Assets (Continued)
Source: CAFR A-2

Exhibit J-2
Unaudited

	Fiscal Year Ended					
	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007
Program Revenues						
Governmental Activities						
Charges For Services	\$ 385,971.12	\$ 349,601.85	\$ 341,743.51	\$ 189,235.81	\$ -	\$ -
Operating Grants and Contributions	-	-	-	-	65,591.52	83,923.08
Capital Grants and Contributions	-	-	-	-	-	-
Total Governmental Activities Program Revenues	385,971.12	349,601.85	341,743.51	189,235.81	65,591.52	83,923.08
Business-Type Activities						
Charges For Services	19,326.71	19,799.08	20,936.64	19,592.35	16,883.52	21,980.05
Operating Grants and Contributions	4,363.28	4,959.98	7,494.42	5,665.50	7,556.63	7,922.81
Capital Grants and Contributions	-	-	-	-	-	-
Total Business-Type Activities Program Revenues	23,689.99	24,759.06	28,431.06	25,257.85	24,440.15	29,902.86
Total District-Wide Program Revenues	\$ 409,661.11	\$ 374,360.91	\$ 370,174.57	\$ 214,493.66	\$ 90,031.67	\$ 115,037.17
Net (Expense) Revenue						
Governmental Activities	\$ (2,400,407.57)	\$ (2,096,788.84)	\$ (2,217,692.93)	\$ (2,350,278.01)	\$ (2,608,971.16)	\$ (2,235,833.90)
Business-Type Activities	1,695.30	1,754.19	(6,874.87)	(10,959.81)	(11,218.27)	(13,778.01)
Total District-Wide Net Expense	\$ (2,398,712.27)	\$ (2,095,014.65)	\$ (2,224,567.80)	\$ (2,360,337.82)	\$ (2,620,189.43)	\$ (2,249,611.91)

Exhibit J-2
Unaudited

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CITY OF PORT REPUBLIC SCHOOL DISTRICT
Fund Balances - Governmental Funds
Source: CAFR B-1

Exhibit J-3
Unaudited

	Fiscal Year Ended							
	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007	June 30, 2006	June 30, 2005
General Fund								
Restricted	\$ 258,658.84	\$ 176,015.46	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	-	-	-	-	-	-	-	-
Assigned	-	239,739.79	-	-	-	-	-	-
Unassigned	162,032.00	161,174.00	-	-	-	-	-	-
Reserved	-	-	188,764.51	116,321.24	63,330.61	159,885.02	39,440.03	97,545.69
Unreserved	-	-	148,549.00	95,698.12	88,175.12	62,961.35	76,888.71	52,363.00
Total General Fund	\$ 420,690.84	\$ 576,929.25	\$ 337,313.51	\$ 212,019.36	\$ 151,505.73	\$ 222,846.37	\$ 116,328.74	\$ 149,908.69
All Other Governmental Funds								
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, Reported in								
Special Revenue Fund	-	-	-	-	-	-	-	-
Capital Projects Fund	-	-	-	-	-	-	-	-
Debt Service Fund	-	-	-	-	-	-	-	-
Permanent Fund	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds
Source: CAFR B-2

Exhibit J-4
Unaudited

	Fiscal Year Ended						
	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007	June 30, 2006
Revenues							
Local Tax Levy	\$ 1,494,257.00	\$ 1,530,305.00	\$ 1,453,550.00	\$ 1,419,966.00	\$ 1,352,425.00	\$ 1,229,445.00	\$ 1,131,843.00
Tuition Charges	-	9,840.00	12,300.00	6,517.24			
Interest Earned	10,298.12	13,007.49	8,060.77	7,258.01	6,817.37	7,300.17	5,603.53
Miscellaneous	12,604.29	4,090.62	2,002.98	8,557.86	19,384.63	21,939.62	9,778.34
Federal Sources	97,714.81	87,997.85	87,072.18	76,251.81	44,432.63	56,519.43	75,593.11
State Sources	1,103,705.30	1,038,786.22	1,139,152.33	1,097,293.42	1,220,246.41	1,161,096.13	1,079,863.60
Total Revenues	2,718,660.52	2,684,027.18	2,702,138.26	2,615,844.34	2,643,306.04	2,476,300.35	2,302,681.58
Expenditures							
Instruction							
Regular	803,945.61	783,875.44	812,018.05	797,040.28	769,132.25	727,517.28	829,205.42
Special Education	137,775.11	103,249.68	88,538.74	106,766.47	107,770.91	104,427.52	119,339.23
School Sponsored Activities	2,816.00	2,410.00	6,351.50	4,066.00	1,639.00	8,932.99	1,965.00
Other	-	1,200.00	-	700.00	-	-	-
Support Services							
Tuition	576,816.13	339,887.34	460,748.61	525,461.00	578,429.64	433,782.94	327,513.98
Student and Instruction	318,774.72	339,334.24	308,940.66	282,993.54	256,783.98	222,612.25	227,588.98
General Administration	162,280.05	135,049.38	140,597.63	148,521.81	176,900.68	133,970.00	162,116.30
School Administrative	2,867.15	1,977.37	2,207.52	1,746.58	1,000.00	2,192.49	505.00
Central Services	9,077.84	13,606.55	22,113.80	34,897.17	31,793.32	36,879.76	52,887.99
Plant Operations and Maintenance	172,309.04	174,237.71	211,819.11	154,557.46	177,087.84	159,945.91	148,253.71
Pupil Transportation	107,718.59	93,130.13	94,318.50	106,080.62	95,222.69	73,803.13	63,822.92
Other Support Services	-	-	-	-	-	-	-
Employee Benefits	472,145.09	440,243.60	388,925.06	369,585.53	463,470.89	447,526.90	391,924.50
Capital Outlay	102,363.80	22,210.00	30,805.00	11,199.00	44,047.19	6,992.00	-
Total Expenditures	2,868,898.93	2,450,411.44	2,567,394.18	2,543,615.46	2,703,278.39	2,358,583.17	2,325,123.03
Excess (Deficiency) of Revenues Over Expenditures	(150,238.41)	233,615.74	134,754.08	72,228.88	(59,972.35)	117,717.18	(22,441.45)
Other Financing Sources (Uses)							
Transfers Out	-	-	(9,459.93)	(11,715.25)	(11,368.29)	(11,199.56)	(11,138.50)
Total Other Financing Sources (Uses)	-	-	(9,459.93)	(11,715.25)	(11,368.29)	(11,199.56)	(11,138.50)
Net Changes in Fund Balance	\$ (150,238.41)	\$ 233,615.74	\$ 125,294.15	\$ 60,513.63	\$ (71,340.64)	\$ 106,517.62	\$ (33,579.95)
							\$ (45,240.53)

Fiscal Year Ended									
June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007	June 30, 2006	June 30, 2005		

Detail Provided on Exhibit J-4

REVENUE CAPACITY

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Source: Municipal Tax Assessor

Exhibit J-6
 Unaudited

Fiscal Year Ended June 30,	Vacant Land	Improvements	Total Taxable Value of Land & Improvements	Total Partial Exemptions & Abatements	Net Total Taxable Value of Land & Improvements	Taxable Value of Locally Assessed Personal Property	Net Valuation Taxable	Estimated Actual County Equalized Value	Total District School Tax Rate
2003	21,686,200	43,523,900	65,210,100		65,210,100	641,438	65,851,538	76,464,861	1.543
2004	21,798,400	45,479,000	67,277,400		67,277,400	548,859	67,826,259	87,529,048	1.526
2005	21,828,600	46,735,400	68,564,000		68,564,000	423,910	68,987,910	108,250,290	1.641
2006	21,716,300	48,660,400	70,376,700		70,376,700	346,538	70,723,238	122,783,399	1.738
2007	22,233,300	50,509,700	72,743,000		72,743,000	315,758	73,058,758	141,477,068	1.851
2008	22,187,900	53,060,600	75,248,500		75,248,500	636,029	75,884,529	155,595,872	1.879
2009	22,376,200	54,577,900	76,954,100		76,954,100	313,739	77,267,839	163,807,163	1.881
2010	22,291,100	55,073,100	77,364,200		77,364,200	341,654	77,705,854	151,532,477	1.969
2011	22,252,800	55,231,000	77,483,800		77,483,800	312,321	77,796,121	144,165,622	1.920
2012	22,288,400	55,262,000	77,550,400		77,550,400	318,027	77,868,427	144,165,622	1.944

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Source: Municipal Tax Collector

Exhibit J-7

Fiscal Year Ended June 30,	City of Port Republic School District			Overlapping Rates				Total Direct and Overlapping Tax Rates
	Basic Rate	Debt Service	Total	Local	County	Other	Total	
2003	1.543	0.000	1.543	0.409	0.573	0.000	0.982	2.525
2004	1.526	0.000	1.526	0.531	0.594	0.000	1.125	2.651
2005	1.641	0.000	1.641	0.529	0.645	0.000	1.174	2.815
2006	1.738	0.000	1.738	0.599	0.632	0.000	1.231	2.969
2007	1.851	0.000	1.851	0.629	0.595	0.000	1.224	3.075
2008	1.879	0.000	1.879	0.651	0.594	0.000	1.245	3.124
2009	1.881	0.000	1.881	0.620	0.636	0.020	1.276	3.157
2010	1.969	0.000	1.969	0.574	0.625	0.020	1.219	3.188
2011	1.920	0.000	1.920	0.656	0.674	0.019	1.349	3.269
2012	1.944	0.000	1.944	0.658	0.680	0.019	1.357	3.301

CITY OF PORT REPUBLIC SCHOOL DISTRICT

Principal Property Taxpayers

Source: Municipal Tax Assessor

Exhibit J-8
Unaudited

Taxpayer	2012			2002		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Taxpayer 1	834,800	1	1.07%	682,400	3	1.07%
Quality Properties LLC	450,000	2	0.58%			
Taxpayer 2	588,400	3	0.76%			
Chestnut Neck Associates	571,800	4	0.73%	501,800	7	0.79%
Atlantic Blueberry Hill Rv Resort	560,600	5	0.72%			
Taxpayer 3	540,900	6	0.69%			
Taxpayer 4	534,800	7	0.69%			
Taxpayer 5	517,300	8	0.66%			
Taxpayer 6	483,000	9	0.62%			
Recreation Prop. Inc.	462,700	10	0.59%	573,200	5	0.90%
FBR Associates				953,300	1	1.49%
Taxpayer 7				774,900	2	1.17%
Taxpayer 8				637,500	4	1.00%
Taxpayer 9				517,300	6	0.81%
Taxpayer 10				384,700	8	0.60%
Taxpayer 11				382,300	9	0.60%
Taxpayer 12				344,700	10	0.54%

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Property Tax Levies and Collections
Source: District Records

Exhibit J-9
Unaudited

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>School Taxes</u> <u>Levied for</u> <u>the Fiscal Year</u>	<u>Current Tax</u> <u>Collections</u>	<u>Percentage of Tax</u> <u>Levy Collections</u>
2002	965,168.00	965,168.00	100.00%
2003	965,176.00	965,176.00	100.00%
2004	1,015,714.00	1,015,714.00	100.00%
2005	1,035,328.00	1,035,328.00	100.00%
2006	1,131,843.00	1,131,843.00	100.00%
2007	1,229,445.00	1,229,445.00	100.00%
2008	1,352,425.00	1,352,425.00	100.00%
2009	1,419,966.00	1,419,966.00	100.00%
2010	1,453,550.00	1,453,550.00	100.00%
2011	1,530,305.00	1,530,305.00	100.00%
2012	1,494,257.00	1,494,257.00	100.00%

DEBT CAPACITY

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Ratio of Outstanding Debt By Type
Source: District Records

Exhibit J-10
Unaudited

Fiscal Year Ended June 30,	Governmental Activities			Business-Type		Total District	Percentage of Personal Income	Per Capita Personal Income
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes	Capital Leases			
2002								
2003								
2004								
2005								
2006								
2007								
2008								
2009								
2010								
2011								
2012								

In accordance with statutes governing Type I School Districts, the bonded debt is assumed by the City and the provision for amortization of principal and interest on the outstanding debt is included in the City budget.

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Ratios of General Bonded Debt Outstanding
Source: District Records

Exhibit J-11
Unaudited

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>General</u> <u>Obligation Bonds</u>	<u>Deductions</u>	<u>Net General</u> <u>Bonded Debt</u> <u>Outstanding</u>	<u>Percentage of</u> <u>Actual Taxable</u> <u>Value of Property</u>	<u>Per Capita</u>
2002			-		
2003			-		
2004			-		
2005			-		
2006			-		
2007			-		
2008			-		
2009			-		
2010			-		
2011			-		
2012			-		

In accordance with statutes governing Type I School Districts, the bonded debt is assumed by the City and the provision for amortization of principal and interest on the outstanding debt is included in the City budget.

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
Source: District Records

Exhibit J-12
Unaudited

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Net Direct Debt of the School District	\$ -	100.00%	\$ -
Debt Repaid With Property Taxes			
Local Municipality	\$ 950,000.00	100.00%	950,000.00
Other Debt			
County of Atlantic	\$ 131,518,545.13	0.29%	<u>381,403.78</u>
Total Direct and Overlapping Debt			<u>\$ 1,331,403.78</u>

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Legal Debt Margin Information
Source: District Records

Exhibit J-13
Unaudited

	Year								Equalized Valuation Basis
	2009	2010	2011						
	\$ 150,066,498	143,267,037	139,963,512					\$ 433,297,047	
								\$ 144,432,349	
Average Equalized Valuation of Taxable Property									
School Borrowing Margin									
Average Equalized Valuation of Taxable Property								\$ 144,432,349	
								3.00%	
Net Bonded School Debt									
								4,332,970	
Legal Debt Margin									
								\$ 4,332,970	
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt Limit	\$ 2,084,109	\$ 2,311,550	\$ 2,644,586	\$ 3,087,539	\$ 3,608,843	\$ 4,051,183	\$ 4,459,186	\$ 4,532,440	\$ 4,258,597
Total Net Debt Applicable Limit	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 2,084,109	\$ 2,311,550	\$ 2,644,586	\$ 3,087,539	\$ 3,608,843	\$ 4,051,183	\$ 4,459,186	\$ 4,532,440	\$ 4,258,597
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

DEMOGRAPHIC AND ECONOMIC INFORMATION

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Demographic and Economic Statistics
Source: NJ Department of Labor

Exhibit J-14
Unaudited

<u>Fiscal Year Ended June 30,</u>	<u>School District Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2003	1,054	34,467,908	32,702	3.70%
2004	1,064	35,566,328	33,427	3.30%
2005	1,129	27,595,018	24,442	3.30%
2006	1,181	41,986,912	35,552	3.30%
2007	1,223	45,096,902	36,874	3.30%
2008	1,216	46,634,816	38,351	4.10%
2009	1,213	47,755,810	39,370	7.40%
2010	1,216	46,420,800	38,175	7.60%
2011	1,115	44,316,790	39,746	7.70%
2012	1,113	Unavailable	Unavailable	Unavailable

Unavailable

Operating Information

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Full-Time Equivalent District Employees By Function/Program
Source: District Personnel Records

Exhibit J-16
Unaudited

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Instruction										
Regular	13	12	11	9	9	9	9	13	13	13
Special Education	2	2	2	2	2	2	2	2	2	2
Other Special Education	1	1	1	1	1	1	1	1	1	1
Support Services										
Student Related	1	1	1	1	1	1	1	1	1	1
General Administrative	2	2	2	1	1	1	1	1	1	1
School Administrative	1	2	2	2	2	2	2	2	2	2
Business Administrative										
Plant Operation	1	1	1	1	1	1	1	1	1	1
Other	1	1	1	1	1	1	1	1	1	1
Food Service										
Child Care										
	22	22	21	18	18	18	18	22	22	22

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Operating Statistics
Source: District Records

Exhibit J-17
Unaudited

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost Per Pupil	% Change	Teaching Staff	Average Daily		% Change in Average Daily Attendance	Student Attendance Percentage
						Enrollment	Attendance		
	(a)					(b)	(b)		
2003	170	2,122,519	12,485	15.16%	22	137	128	0.79%	93.43%
2004	168	2,205,886	13,130	5.16%	18	134	127	-0.78%	94.78%
2005	155	2,246,933	14,496	10.40%	17	132	128	0.79%	96.97%
2006	159	2,325,123	14,623	0.88%	17	127	120	-6.25%	94.49%
2007	165	2,358,538	14,294	-2.25%	15	123	117	-2.50%	95.12%
2008	148	2,440,437	16,489	15.36%	16	110	104	-11.11%	94.55%
2009	138	2,352,819	17,049	3.40%	16	104	98	-5.77%	94.23%
2010	148	2,360,340	15,948	-6.46%	22	116	106	8.16%	91.38%
2011	154	2,231,250	14,489	-9.15%	22	117	107	0.94%	91.45%
2012	164	2,643,587	16,119	11.26%	22	118	110	2.80%	93.22%

(a) Includes Grades K-12

(b) Includes Grades K-8

CITY OF PORT REPUBLIC SCHOOL DISTRICT

School Building Information

Source: District Records

Exhibit J-18
Unaudited

District Building	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Port Republic Elementary School										
Square Feet	18,518	18,518	18,518	18,518	18,518	18,518	18,518	18,518	18,518	18,518
Capacity	173	173	173	173	173	173	173	173	173	173
Enrollment	137	134	132	127	121	110	104	116	117	118

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Schedule of Required Maintenance Expenditures by School Facility
Source: District Records

Exhibit J-19
Unaudited

Undistributed Expenditures - Required Maintenance by School Facility

Facilities	Project Number	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Port Republic School	N/A	\$ 51,621	\$ 46,419	\$ 62,530	\$ 78,811	\$ 74,964	\$ 85,750	\$ 73,980	\$ 120,886	\$ 84,959	\$ 90,052

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Insurance Schedule
Source: District Records

Exhibit J-20
Unaudited

Company	Type of Coverage	Amount of Coverage	Deductible
NJ School Board Association Insurance Group	School Package Policy		
	Property		
	Blanket Buildings & Contents	\$ 3,728,212	\$ 1,000
	Comprehensive General Liability		
	Each Occurrence	6,000,000	
	General Aggregate	6,000,000	
New Jersey School Boards Association	Computer Hardware and Software	250,000	
	Non-Owned and Hired Automobile Liability	6,000,000	
	School Leaders Errors & Omissions		
	Coverage A (Each Policy Period)	5,000,000	5,000
	Coverage B (Each Claim)	100,000	5,000
	Workers Compensation		
Chubb Insurance Company	Each Accident	2,000,000	
	Supplemental Workers' Compensation		
Markel Insurance Company	Maximum Weekly Disability Limit	1,400	
	Student Accident	1,000,000	
Selective Insurance Company	Surety Bonds		
	Treasurer	145,000	
	Board Secretary/Business Administrator	75,000	
	Public School System Blanket Bond	50,000	

SINGLE AUDIT SECTION

PREZIOSI·NICHOLSON

& ASSOCIATES PA

Certified Public Accountants

EXHIBIT K-1

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable President and
Members of the Board of Education
City of Port Republic School District
County of Atlantic
Port Republic, New Jersey

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Board of Education of the City of Port Republic School District, in the County of Atlantic, State of New Jersey, as of and for the fiscal year ended June 30, 2012 and have issued our report thereon dated September 18, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as described by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

We noted certain matters that we reported to management in a separate report entitled, *Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance* dated September 18, 2012.

This report is intended solely for the information and use of the management of the District, the New Jersey State Department of Education, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

PREZIOSI • NICHOLSON & ASSOCIATES

Certified Public Accountants



James M. Preziosi
Certified Public Accountant
Public School Accountant No. CS 01141

September 18, 2012
Millville, NJ

PREZIOSI-NICHOLSON

& ASSOCIATES PA

Certified Public Accountants

EXHIBIT K-2

**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A
DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133 AND
NEW JERSEY OMB CIRCULAR 04-04**

The Honorable President and
Members of the Board of Education
City of Port Republic School District
County of Atlantic
Port Republic, New Jersey

Compliance

We have audited the City of Port Republic School District's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the New Jersey Compliance Manual *State Grants Compliance Supplement* that could have a direct and material effect on the District's major state programs for the fiscal year ended June 30, 2012. The District's major state programs are identified in the *Summary of Auditor's Results Section* of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the Board of Education of the City of Port Republic School District, in the County of Atlantic, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2012. However, the results of our auditing disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with *OMB Circular A-133 and New Jersey OMB's Circular 04-04* and which are described in the accompanying *Schedule of Findings and Questioned Costs* as items #2012-1, #2012-2, and #2012-3.

Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major state program to determine the auditing procedures for the purposes of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB's Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis.

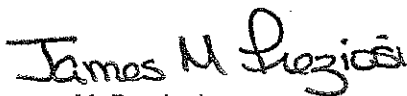
Expenditure for federal awards were less than the single audit threshold required by OMB Circular A-133 and therefore were not subject to a single audit. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Division of Finance, Department of Education, State of New Jersey and is not a required part of basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

The District's response to the findings identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. We did not audit the District's responses and accordingly, we express no opinions on the responses.

This report is intended solely for the information and use of the management of the District, the New Jersey State Department of Education and federal and state awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

PREZIOSI • NICHOLSON & ASSOCIATES
Certified Public Accountants



James M. Preziosi
Certified Public Accountant
Public School Accountant No. CS 01141

September 18, 2012
Millville, NJ

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards

Schedule A

For The Fiscal Year Ended June 30, 2012

See Accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Program or Award Amount	Grant Period	Balance at June 30, 2011	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2012	
									Accounts Receivable	Due to Grantor
U.S. Department of Education General Fund										
Education Jobs Fund	84.410	34,688.00	9/1/11 - 8/31/12	\$ -	\$ -	\$ 34,688.00	\$ 34,688.00	\$ -	\$ -	\$ -
Total General Fund				-	-	34,688.00	34,688.00	-	-	-
U.S. Department of Education Passed-through State Department of Education Special Revenue Fund:										
Title I	84.010	6,490.00	9/1/11 - 8/31/12							
Title I	84.010	14,699.00	9/1/10 - 8/31/11	(4,469.00)		2,790.00	4,114.00		(1,324.00)	
Title II A	84.367	7,099.00	9/1/10 - 8/31/11	(3,170.00)		4,469.00				
Title II D	84.318	41.00	9/1/10 - 8/31/11	41.00		3,170.00				
I.D.E.A. Part B, Basic Regular	84.027	35,929.00	9/1/11 - 8/31/12			35,929.00	35,929.00	(41.00)		
I.D.E.A. Part B, Preschool	84.173	1,544.00	9/1/11 - 8/31/12			1,544.00	1,544.00			
I.D.E.A. ARRA	84.391		9/1/10 - 8/31/11	(1,592.63)		1,592.63				
Title VI REAP	84.358	16,282.00	9/1/11 - 8/31/12			11,157.50	13,662.00		(2,504.50)	
Title VI REAP	84.358	17,398.00	9/1/10 - 8/31/11	(1,055.94)		1,055.94				
Total Special Revenue Fund				(10,246.57)	-	61,708.07	55,249.00	(41.00)	(3,828.50)	-
U.S. Department of Agriculture Passed-through State Department of Education Enterprise Fund:										
National School Lunch Program	10.555	4,071.56	7/1/11 - 6/30/12			3,864.21	4,071.56		(207.35)	
National School Lunch Program	10.555	4,655.84	7/1/10 - 6/30/11	(327.22)		327.22				
Total Enterprise Fund				(327.22)	-	4,191.43	4,071.56		(207.35)	
Total Federal Financial Awards				\$ (10,573.79)	\$ -	\$ 100,587.50	\$ 94,008.56	\$ (41.00)	\$ (4,035.85)	\$ -

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
Schedule B

For The Fiscal Year Ended June 30, 2012

See Accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance

State Grantor/Program Title	Project Number	Grant Period	Program or Award Amount	Balance at June 30, 2011	Cash Received	Budgetary Expenditures	Balance at June 30, 2012		(MEMO) Delayed State Aid Payment
							Accounts Receivable	Deferred Revenue	
State Department of Education General Fund									
Adjustment Aid	12-495-034-5120-085	07/01/11-06/30/12	566,362.00		472,304.00	566,362.00	(94,058.00)		94,058.00
Adjustment Aid	11-495-034-5120-085	07/01/10-06/30/11	568,076.00	(88,826.00)	88,826.00				
Equalization Aid	12-495-034-5120-078	07/01/10-06/30/12	190,216.00		190,216.00	190,216.00			
Security Aid	12-495-034-5120-084	07/01/11-06/30/12	12,738.00		12,738.00	12,738.00			
Special Education Categorical Aid	12-495-034-5120-089	07/01/11-06/30/12	74,514.00		74,514.00	74,514.00			
Transportation Aid	12-495-034-5120-014	07/01/11-06/30/12	45,367.00		45,367.00	45,367.00			
Nonpublic Transportation Aid	12-495-034-5120-014	07/01/11-06/30/12	6,090.00				(6,090.00)		
School Choice Aid	12-495-034-5120-068	07/01/11-06/30/12	51,365.00		51,365.00	51,365.00			
On Behalf TPAF									
Pension Contributions	12-495-034-5095-006	07/01/11-06/30/12	85,624.00		85,624.00	85,624.00			
Social Security Contributions	12-495-034-5095-002	07/01/11-06/30/12	76,661.30		76,661.30	76,661.30			
Total General Fund				(88,826.00)	1,097,615.30	1,108,937.30	(100,148.00)	-	94,058.00
U.S. Department of Agriculture Passed-through State Department of Education Enterprise Fund:									
National School Lunch Program	12-100-010-3350-023	07/01/11-06/30/12	291.72		276.89	291.72	(14.83)		
National School Lunch Program	11-100-010-3350-023	07/01/10-06/30/11	304.14	(23.44)	23.44				
Total Enterprise Fund				(23.44)	300.33	291.72	(14.83)		
Total State Financial Assistance				\$ (88,849.44)	\$ 1,097,915.63	\$ 1,109,229.02	\$ (100,162.83)	\$ -	\$ 94,058.00

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Notes to Schedules of Awards and Financial Assistance
June 30, 2012

NOTE 1 GENERAL

The accompanying Schedules of Expenditures of Awards and Financial Assistance include federal and state award activity of the Board of Education of the City of Port Republic School District. The Board of Education is defined in Note 1 to the District's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies are included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Awards and Financial Assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. The information in this schedule is presented in accordance with requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3 RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

See Exhibit C-3, Notes to Required Supplementary Information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Notes to Schedules of Awards and Financial Assistance
June 30, 2012

NOTE 3 RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

Awards and financial assistance revenues are reported in the District's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 34,688.00	\$ 1,103,705.30	\$ 1,138,393.30
Special Revenue Fund	63,026.81		63,026.81
Enterprise Fund	4,071.56	291.72	4,363.28
	<hr/>	<hr/>	<hr/>
Total GAAP	101,786.37	1,103,997.02	1,205,783.39
 Budgetary Adjustment			
State Aid Payment			
Current Year		94,058.00	94,058.00
Prior Year		(88,826.00)	(88,826.00)
Encumbrances			
Current Year			
Prior Year	(7,777.81)		(7,777.81)
	<hr/>	<hr/>	<hr/>
Total Budgetary	\$ 94,008.56	\$ 1,109,229.02	\$ 1,203,237.58

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5 ADJUSTMENTS

Amounts reported in the column entitled "Adjustments" represent a favorable difference incurred due to an additional receivable from a prior year offset by a minor cancelation of an old balance.

NOTE 6 OTHER

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2011. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2012.

NOTE 7 MAJOR PROGRAMS

Major programs are identified in the *Summary of Auditor's Results* section of the *Schedule of Findings and Questioned Costs*.

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Schedule of Findings and Questioned Costs

For The Fiscal Year Ended June 30, 2012

PART 1 - SUMMARY OF AUDITORS' RESULTS

Financial Statements

A. Type of auditors' report issued:

Unqualified

B. Internal control over financial reporting:

1. Material weakness(es) identified?

No

2. Significant deficiencies identified that are not considered to be a material weaknesses?

None Reported

C. Noncompliance material to general purpose financial statements noted.

No

Federal Awards Section

N/A

State Awards Section

A. Dollar threshold used to determine Type A and Type B programs.

\$300,000.00

B. Auditee qualified as low-risk auditee?

Yes

C. Type of auditors' report issued on compliance for major programs.

Unqualified

D. Internal control over major programs.

1. Material weakness(es) identified?

No

2. Significant deficiencies identified that are not considered to be material weaknesses?

No

E. Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 or NJOMB Circular 04-04?

Yes

F. Identification of major programs.

Adjustment Aid	495-034-5120-085
Security Aid	495-034-5120-084
Special Education Categorical Aid	495-034-5120-089
Equalization Aid	495-034-5120-078
School Choice Aid	495-034-5120-068

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Schedule of Findings and Questioned Costs

For The Fiscal Year Ended June 30, 2012

PART 2 - SCHEDULE OF FINANCIAL STATEMENT FINDINGS

This section identifies significant deficiencies, material weaknesses, and instances of noncompliance related to the basic financial statements that are required in accordance with Government Auditing Standards and with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

No Findings Identified

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Schedule of Findings and Questioned Costs

For The Fiscal Year Ended June 30, 2012

PART 3 - SCHEDULE OF FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

This section identifies significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs as required by US OMB Circular A-133 and New Jersey OMB's Circular 04-04.

FEDERAL AWARDS

No Findings Identified

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Schedule of Findings and Questioned Costs

For The Fiscal Year Ended June 30, 2012

PART 3 - SCHEDULE OF FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

This section identifies significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs as required by US OMB Circular A-133 and New Jersey OMB's Circular 04-04.

STATE FINANCIAL ASSISTANCE

Finding #2012-1

Information on State program

Adjustment Aid 12-495-034-5120-085 State Department of Education
Equalization Aid 12-495-034-5120-078 State Department of Education
School Choice Aid 12-495-034-5120-68 State Department of Education

Criteria or specific requirement

N.J.A.C. 6A:23A-16.10(a)(1) states that a District shall only approve an encumbrance or expenditure that when added to the total of existing encumbrances and expenditures, does not exceed the amount appropriated by the District in the applicable line item account established pursuant to the minimum chart of accounts.

Condition

There was one budget line item overexpended at June 30th totaling \$10,525.20.

Questioned Costs

None.

Context

Expenditures were made in excess of approved budget line item amount.

Effect

Violation of N.J.A.C. 6A:23A-16.10(a)(1).

Cause

Oversight on part of Business Administrator.

Recommendation

That controls be implemented to avoid overexpenditure of appropriations.

Management's response

Management agrees with the finding and will institute procedures to assure that sufficient funds are available prior to the issuance of any purchase orders.

**CITY OF PORT REPUBLIC SCHOOL DISTRICT
Schedule of Findings and Questioned Costs**

For The Fiscal Year Ended June 30, 2012

PART 3 - SCHEDULE OF FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

This section identifies significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs as required by US OMB Circular A-133 and New Jersey OMB's Circular 04-04.

STATE FINANCIAL ASSISTANCE

Finding #2012-2

Information on State program

Adjustment Aid 12-495-034-5120-085 State Department of Education
Equalization Aid 12-495-034-5120-078 State Department of Education
School Choice Aid 12-495-034-5120-68 State Department of Education

Criteria or specific requirement

N.J.S.A. 18A:18A-2 requires a District to request that seal bids be received whenever the expenditure in any category exceeds the statutory threshold.

Condition

Sealed bids were not requested for the purchase and installation of an air conditioning unit even though the total cost exceeded the statutory threshold of \$36,000.

Questioned Costs

None.

Context

None

Effect

Violation of N.J.S.A. 18A: 18A-2.

Cause

Oversight on part of Business Administrator.

Recommendation

Sealed bids should be received by public advertisement for all contracts and agreements when required by State statutes.

Management's response

Management agrees with the finding and will institute procedures to assure that bids are received on all purchases where required by State statute.

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Schedule of Findings and Questioned Costs

For The Fiscal Year Ended June 30, 2012

PART 3 - SCHEDULE OF FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

This section identifies significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs as required by US OMB Circular A-133 and New Jersey OMB's Circular 04-04.

STATE FINANCIAL ASSISTANCE

Finding #2012-3

Information on State program

Adjustment Aid 12-495-034-5120-085 State Department of Education
Equalization Aid 12-495-034-5120-078 State Department of Education
School Choice Aid 12-495-034-5120-68 State Department of Education

Criteria or specific requirement

N.J.A.C. 6A:23A-13.3(g) requires a District to receive executive county superintendent approval for any transfer to an advertised appropriation account identified as administration that exceeds, on a cumulative basis, 10 percent of the amount in the District's budget certified for taxes.

Condition

Executive county superintendent approval was not received for several transfers to administrative appropriation accounts that exceeded 10 percent of the amount of the account included in the District's budget certified for taxes.

Questioned Costs

None.

Context

None

Effect

Violation of N.J.A.C. 6A:23A-13.3(g).

Cause

Oversight on part of Business Administrator.

Recommendation

Executive county superintendent approval should be received for transfers to administrative appropriation accounts in accordance with N.J.A.C. 6A:23A-13.3(g).

Management's response

Management agrees with the finding and will institute procedures to assure that executive county superintendent approval is received for transfers to administrative appropriation accounts in accordance with N.J.A.C. 6A:23A-13.3(g).

**CITY OF PORT REPUBLIC SCHOOL DISTRICT
Summary Schedule of Prior-Year Findings and
Questioned Costs as Prepared by Management
For The Fiscal Year Ended June 30, 2012**

This section identifies the status of prior year findings related to the basic financial statements of federal and state awards that are required to be reported in accordance with Government Auditing Standards, US OMB Circular A-133, and New Jersey OMB's Circular 04-04.

STATUS OF PRIOR YEAR FINDINGS

There were no prior year audit findings